

State of Alaska FY2010 Governor's Operating Budget

Department of Health and Social Services Energy Assistance Program Component Budget Summary

Component: Energy Assistance Program

Contribution to Department's Mission

To reduce the disproportionate burden of home heating costs on the poor and minimize the economic impact of customer bad debt on Alaska home energy suppliers.

Core Services

- Heating Assistance aids households with home heating expenses. Eligibility for heating assistance and benefit amounts are based on a point system that considers household size and income, fuel costs in the area and type of housing. Households apply once a year to receive a single heating assistance grant. Assistance is normally provided in the form of a credit with the client's home energy vendor.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$17,346,200

Personnel:

Full time	4
Part time	12
Total	16

Key Component Challenges

- Implementation and rapid development of the new state-funded Alaska Heating Assistance Program (AKHAP), which was authorized under Chapter No. 31, SLA 2008 (HB 152) and will make home heating assistance available to households with incomes between 150% and 225% of the federal poverty level guidelines for Alaska.
- Rising energy costs and general economic uncertainty make it difficult to estimate the number of households that will apply and qualify for heating assistance.
- Based upon spot market prices from communities around the state and information from the federal Energy Information Administration (EIA), most Alaskans are paying much more than the national average of \$3.67 per gallon anticipated for the coming winter. The EIA is anticipating a 23% increase in the cost of heating fuel in 2009, which will create even greater difficulties for low-income Alaskans when their household heating assistance grants do not adequately cover the increased costs. This is especially true in rural Alaska where the cost of transporting fuel can result in heating fuel costs that exceed \$9.00 per gallon in some communities.
- The uncertainty of the low income home energy assistance program (LIHEAP) block grant funding continues to create challenges in planning and administering the program. The funding allocation is frequently determined after benefit levels are set and seasonal program operations begin each year.
- On October, 17, 2008, the federal Administration for Children and Families announced that Alaska's state share of the LIHEAP block grant for FFY09 increased to \$16,332,994, an increase of \$8,913,075 from FFY08. LIHEAP grants to qualifying households, in FY09 will be larger and will meet a greater portion of winter home heating costs. It is unknown if the increased funding will be sustained in FFY10.

Significant Changes in Results to be Delivered in FY2010

- Establish the budget for the new state-funded Alaska Heating Assistance Program. The Governor's FY10 proposed budget includes an increment of \$5,000.0 to establish funding in the operating budget to maintain services for this program beyond FY09.
- Promote the availability of home heating assistance from the new Alaska Heating Assistance Program

through a variety of marketing strategies.

Major Component Accomplishments in 2008

- Helped meet the winter heating assistance needs of almost 9,500 low-income households, with LIHEAP grants averaging \$1,100 per household. This does not include households served by Tribal heating assistance programs. Eighty-two percent of households served include a person who is over age 65, under age six, or disabled.
- Fifty-eight percent of the households receiving LIHEAP do not receive financial assistance from the division (29% receive Adult Public Assistance and 13% receive Temporary Assistance). Common sources of income include retirement, unemployment insurance benefits, and earnings from employment or self-employment.
- Began outreach and start-up for the new state-funded Alaska Heating Assistance Program (AKHAP) which included development of a new application, vendor education, amending state regulations, and making automated system modifications.

Statutory and Regulatory Authority

Public Law 97-35 L.I.H.E.A.P. Act of 1981
AS 47.25.621-.626
7 AAC 44 Heating Assistance Program

Contact Information
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**Energy Assistance Program
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	486.5	805.5	834.2
72000 Travel	0.0	12.5	12.5
73000 Services	104.1	277.0	277.0
74000 Commodities	13.0	39.0	39.0
75000 Capital Outlay	0.7	28.0	0.0
77000 Grants, Benefits	11,073.5	21,159.9	16,183.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	11,677.8	22,321.9	17,346.2
Funding Sources:			
1002 Federal Receipts	11,677.8	12,321.9	12,342.6
1004 General Fund Receipts	0.0	10,000.0	5,003.6
Funding Totals	11,677.8	22,321.9	17,346.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	11,677.8	12,321.9	12,342.6
Restricted Total		11,677.8	12,321.9	12,342.6
Total Estimated Revenues		11,677.8	12,321.9	12,342.6

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	10,000.0	12,321.9	0.0	22,321.9
Adjustments which will continue current level of service:				
-Reverse FY09 Special Session funding added for heating assistance for low income households	-10,000.0	0.0	0.0	-10,000.0
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	3.6	20.7	0.0	24.3
Proposed budget increases:				
-Alaska Heating Assistance Program	5,000.0	0.0	0.0	5,000.0
FY2010 Governor	5,003.6	12,342.6	0.0	17,346.2

**Energy Assistance Program
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	4	4	Annual Salaries	500,042
Part-time	12	12	COLA	21,465
Nonpermanent	0	0	Premium Pay	28,006
			Annual Benefits	293,087
			<i>Less 1.00% Vacancy Factor</i>	(8,400)
			Lump Sum Premium Pay	0
Totals	16	16	Total Personal Services	834,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	1	0	1
Administrative Clerk II	0	0	1	0	1
Administrative Clerk III	0	0	1	0	1
Elig Technician I	0	0	11	0	11
Elig Technician III	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Totals	0	0	16	0	16